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SUBJECT: CODEL GRANGER IN PARAGUAY

¶1. (SBU) SUMMARY: House Appropriations Committee Member Kay Granger (R- Texas) led a delegation to Paraguay September 2-5. Codel Granger conveyed U.S. support for Paraguay's fight against corruption and drug trafficking. Meeting with a variety of law enforcement and criminal justice partners throughout the visit, Congresswoman Granger expressed an interest in helping Paraguay overcome some of its greatest challenges. END SUMMARY.

¶2. (U) Codel Granger also included Commerce, Justice and Science Appropriations Subcommittee staff John Blazey and Diana Simpson. Air Force liaison Lt. Col. William Doug Hall and DEA legislative relations staff members Mandy Lord and Sheldon Shoemaker also participated.

PARAGUAYAN COUNTERNARCOTICS EFFORTS: A WORK IN PROGRESS

¶3. (U) Minister Cesar Aquino, the director of Paraguay's Anti-Narcotics Secretariat (SENAD) lead Congresswoman Granger on a tour of their headquarters in Asuncion. The building complex is a small, underequipped facility that boards a few dozen SENAD agents. The Minister spoke of the challenges faced by SENAD. With only approximately 140 agents to combat drug trafficking nationwide, SENAD suffers from a lack of personnel and resources. The Minister claimed that SENAD was in line for a modest budgetary increase in the upcoming fiscal year, but commented on the importance of continued U.S. support.

BRINGING THE ACTORS TOGETHER

¶4. (SBU) Ambassador Liliana Ayalde hosted a small working reception for key Paraguayan and Embassy law enforcement contacts. Among the Paraguayans attending were representatives from SENAD, the Chief of the Paraguayan National Police, the Director of Paraguay's anti-money laundering secretariat (SEPRELAD) and the Director of Paraguay's intellectual property enforcement unit (UTE). The Ambassador asked each participant to reflect on their major challenges. Consistent themes included the need for additional specialized training and improved coordination between agencies. Asked how many times the representatives of the Paraguayan agencies present had met to discuss common enforcement priorities, the answer was 'never'. The Ambassador commented that it is not uncommon for the U.S. Embassy to be the catalyst for inter-agency coordination on a number of important topics. Congresswoman Granger's experience as the mayor of Fort Worth,

Texas was useful as she shared lessons learned from tackling security issues in a city with roughly the population of Paraguay.

THE MINISTER OF INTERIOR AND THE TRI-BORDER

15. (SBU) Ambassador Ayalde joined the delegation for a breakfast with Paraguayan Interior Minister Rafael Filizzola and his chief of staff. Filizzola articulately described the challenges facing the Paraguayan police. Claiming a budgetary success his predecessors never had, Filizzola noted he was not waiting for assistance to begin the generational task of reforming the police. Appreciative of the many training programs offered by the Embassy, Filizzola stated that more training would be of great value to an institution seeking to transform itself. In addition, Filizzola added that the U.S. could offer more assistance procuring needed equipment, stating that Paraguay has the money to purchase equipment but not the wherewithal to know what to order and how to procure it. Filizzola said that, for example, in a case only days earlier, the police had been unable to locate a kidnapping victim who was being held in a home outside of Ciudad del Este. Although the ransom negotiations took place over a matter of days and the victim never moved locations, the police had been unable to pinpoint his

location because they do not have cellular direction finding equipment. The 19-year old victim was murdered during a botched ransom handover. Filizzola said that U.S. assistance procuring this type of equipment could have saved a life and improved the public perception of the police.

16. (SBU) The Congressional delegation also travelled to Ciudad del Este, Paraguay. Best known as a hub for contraband smuggling, intellectual property violations and as a source of possible terrorism financing, Ciudad del Este sits on the border of Argentina, Brazil and Paraguay. After a quick lay of the land, Congresswoman Granger visited the dilapidated SENAD office in Ciudad del Este. The office grounds contained a landfill-like pile of seized assets unable to be used or sold under Paraguay's arcane asset forfeiture laws. Agents spoke to the Congresswoman of their successes, but also to being outmatched by the resources and strength of the drug traffickers. Two counter-narcotics prosecutors joined the delegation for lunch. Pointing fingers at Paraguay's inefficient and corrupt justice system, the prosecutors also spoke of their success working with DEA-sponsored SENAD vetted units.

LAW ENFORCEMENT AND CONGRESS

17. (SBU) Over lunch with 12 Paraguayan senators and representatives that form the bulk of the legislature's counter-narcotics committee, the Congresswoman spoke of the need for Paraguay to speak with one voice on matters related to combating the illegal drug trade. Many Paraguayan congressman noted progress combating marijuana cultivation would require a serious and sustained commitment to addressing the underlying social problems. Noting that poor farmers can earn far more money growing marijuana than any other sustainable crop, the legislators lamented the lack of a national program offering alternatives. Other legislators added that the issue of demand needed to be addressed in addition to supply. All agreed that focusing on better cross-border cooperation with the major destination countries of Brazil, Argentina and European countries would provide a better chance of denting the ever-growing drug problem.

MONEY LAUNDERING

¶8. (U) Congresswoman Granger also met with the director of SEPRELAD Oscar Boidanich. Director Boidanich noted that SEPRELAD is a relatively newly created entity made up of personnel on temporary detail from other agencies. Lacking a consistent and well-trained staff, SEPRELAD is less effective than it otherwise might be. Boidanich commented that he hopes the recently enacted money laundering legislation will be a catalyst for an increased focus on SEPRELAD's mission. He plans to institute a fee-for-service system in which money remitters and banks pay transaction fees to SEPRELAD thereby obviating SEPRELAD's need for a piece of the national budget. The Congresswoman stated that she saw much promise in SEPRELAD under Boidanich's leadership.

U.S. ENGAGEMENT CRITICAL

¶9. (SBU) COMMENT: Congresswoman Granger noted that U.S. assistance in Paraguay seems uniformly well received. Given the fragile nature of Paraguay's newly re-created law enforcement institutions, any amount of U.S. assistance provides great impact. Congresswoman Granger encouraged a continuous and sustained commitment by the Embassy to assist Paraguay in overcoming some of its greatest challenges. END COMMENT.

Codel Granger did not have an opportunity to clear on this message.
AYALDE